

UNITED STATES DEPARTMENT OF AGRICULTURE
Production and Marketing Administration

Radio Script No. 1
Cotton Loan

August 15, 1951

11.952
A2 R11
ANNOUNCER:

Cotton farmers, dealers, merchants and others who deal with cotton have all been watching the cotton crop this summer with interest. The August crop report indicated we will have a good-sized cotton crop, well above the goals set last spring. The result of that knowledge has been a widespread interest in the marketing of this big crop. So today we are going to discuss the marketing of this year's cotton crop with (full name), (title) of the (State or county) PMA Committee.

COMMITTEEMAN: We may as well settle one point right at the beginning of our discussion today. We need this crop of cotton, just as we thought we would last winter and spring. It is needed to take care of our own domestic needs...to take care of exports to friendly nations...and possibly add a little to our current low reserve of about 2 million bales.

ANNOUNCER: I judge then that the present problem cotton farmers face is to get their crop moved from the farm into the domestic or export market without flooding the market at harvest time.

COMMITTEEMAN: That's it. And as a help in moving cotton from the farm in an orderly way we want to invite the attention of farmers to the help that is available through the cotton loan program. It has helped in the past and undoubtedly will help again this fall.

ANNOUNCER: Do you want to give us the details of the cotton price-support loan program?

COMMITTEEMAN: No, because you might forget them, just as I might. But if cotton farmers will go to their own PMA committeemen, they can get full information on the cotton price-support loan.

ANNOUNCER: I should think that it would be a good idea to get that information soon.

COMMITTEEMAN: Yes, it would. Then a farmer can make all of the necessary preparations to make use of the loan program to promote orderly marketing.

ANNOUNCER: You said a moment ago that the price-support program has helped in the past and undoubtedly will this fall.

COMMITTEEMAN: Yes sir, but the more farmers using the program the more effective it is. Let me tell you what was done in 1948 when we had a big cotton crop. Then you can see how the price-support program helped farmers.

ANNOUNCER: When you say it helped farmers you mean it got more income for them, don't you?

COMMITTEEMAN: That's what I mean. About one-third of the cotton crop was put under loan in 1948. The market advanced and farmers repaid the loans on about 28 bales out of every 100 that were under loan. They sold their cotton at a higher price than the amount of the loan.

ANNOUNCER: What happened to the other 72 bales in every hundred?

COMMITTEEMAN: The loans on those 72 bales were not repaid. The Commodity Credit Corporation pooled that cotton, sold it and paid the farmers on the basis of the sale price of the pooled cotton. As a result, \$67 million was distributed to the producers in addition to the cash they received at the time of the loan. That addition averaged about \$17.50 a bale.

ANNOUNCER: That certainly paid the individual farmers.

COMMITTEEMAN: The same procedure helped cotton growers in 1949 when about one-fifth of them put their cotton under loan. At that time the market was advancing. As the market continued to advance farmers paid their loans and sold their cotton at the advanced price and so made money.

ANNOUNCER: So the cotton price-support loan program gives a farmer more control over his crop and more freedom of choice in the time when he puts it on the market.

COMMITTEEMAN: Yes, it does. The farmer can get money to pay off his current season's expenses. Then he's left free to pay the loan and sell his cotton if he can make money by doing so.

ANNOUNCER: There certainly is no reason why a farmer should sell his cotton for anything less than the support price.

COMMITTEEMAN: No, sir, there is not. Of course every cotton farmer has to make up his own mind, but I hope he will consider carefully the advantages of the loan program.

ANNOUNCER: Our thanks to you, _____, for giving us the information which you have today about the cotton price-support loan program. We know that cotton farmers and others can get the details of this program from you as (title) of the (State or county) PMA Committee or any other PMA committeeman.

